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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/866,652	05/30/2001	Tommaso Innocenti		5784

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Peter Gibson
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EXAMINER

KYLE, CHARLES R

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 04/15/2003 //

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/866,652

Applicant(s)

INNOCENTI, TOMMASO

Examiner

Charles R Kyle

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 2/3/2003
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 40-76 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 40-76 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____.
- 4) ☒ Interview Summary (PTO-413) Paper No(s). _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 40-76 are rejected under 35 U.S.C. 103(a) as being unpatentable over *Auction*

This and *Wurman* in view of *Forage Buy-Sell Contracts* by Palmer.

Regarding Claim 40, *Auction This* discloses the invention substantially as claimed, including in a business method intended to facilitate flexible terms commodities trading the steps of:

a) Providing, upon a web site accessible upon the world wide web (pages 79-81), a proposal format (page 125, second paragraph) in which the particular commodity, quantity, price, and specific commodity category dependent quality characteristics desired by a prospective buyer in completion of a submission for initiating an open bid (page 21, "Bidders Can Be Choosers"; pages 64 and 85);

b) Providing, upon a web site accessible upon the world wide web (pages 79-81), a proposal format (page 125, second paragraph) in which the commodity, quantity, price, and quality offered by a prospective seller in completion of a submission for initiating an open offer (page 23, "Sellers Find their Market; pages 64 and 85);

c) Posting upon said web site a listing for a specified lot of commodity in accordance with a completed proposal submission (page 124, Fig. 7-4) detailing a plurality of terms including but not restricted to delivery and payment (page 124, Fig. 7-4) comprising an open offer of said specified lot when initiated by a prospective seller;

d) Scheduling an auction of said specified lot by posting a plurality of schedule dates including but not restricted to commencement and conclusion dates between which responses to said listing will be received (page 207);

e) Indicating upon said web site, in association with said listing, the matching in all said terms between any offer and any bid both concerned with said specified lot (page 213).

Auction This does not specifically disclose that the type of auction can be specified or that the auction is two-way (sellers and buyers making proposals). *Wurman* discloses these features at page 2, first full paragraph and page 3, second full paragraph respectively. It would have been obvious to one of ordinary skill in the art at the time of the invention to have allowed auction-type specification as disclosed by *Wurman* in the auctions disclosed by *Auction This* because this would have provided a means to very specifically describe the proposed auction of *Auction This* in terms of the options described in *Wurman* at page 2, second full paragraph. Further, it would have been obvious to have executed the commodity auction disclosed by *Auction This* using the

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two-way auction format disclosed by *Wurman* because this would have been a format suitable for the exchange of commodities.

Further, the compatibility of *Auction This* and *Wurman* is indicated by cites at page 121-122 and page 2, first full paragraph respectively.

As to the limitations of counter-bids and response to counter-bids, these were well known negotiating techniques within auctions and are suggested by *Wurman* at page 2, second full paragraph.

Auction This and *Wurman* disclose the invention substantially as claimed. See the discussion above. They do not specifically disclose providing samples of a commodity by a seller. *Palmer* discloses this feature at page 8. It would have been obvious to one of ordinary skill in the art at the time of the invention for the seller to provide samples of auction commodities as disclosed by *Palmer* in the auction combination of *Auction This* and *Wurman* because this would have allowed bidders and sellers to adjust commodity pricing to reflect quality as specifically taught by *Palmer* at page 8. See also page 2, first paragraph and pages 5-8. Applicant has provided no argument as to why this reasoning is incorrect. *Palmer* also discloses importance of weight to commodity trading throughout the document.

Further, consider that similar considerations would apply for the buyer supplied commodity model in a two-way auction. In this case the buyer would have provided a model as a demonstrator of quality sought rather than provided as with a seller. Provision of such models is old and well-known. An example of such a model is the arsenal model supplied by the War Department to specify the form and quality of military goods to be supplied to the government. Such models were in use in the nineteenth century.

Further, the reason for the addition of the model and sample limitations to an independent claim is unclear. The limitations do not contain a recitation of providing samples/models; rather they optionally provide such provision. Additionally, the optional provision does not relate to the rest of the claim language. No use of the quality indications is made in the execution of the auction. An inventive feature such as bid calculation based on indicated quality would perhaps relate these limitations to the rest of the Claim.

Regarding Claim 41, *Auction This* discloses depositing listing indication after matching at page 208, "Warning".

With respect to Claim 42, at page 1, *Wurman* discloses the use of agents and suggests the use of plural configuration websites to allow buyers and sellers to find and negotiate with each other.

Regarding Claim 43, *Wurman* discloses a single website for auction configuration at page 2.

Concerning Claims 44 and 45, *Auction This* discloses e-mail notification to subscribers of listings of interest at page 72, fifth paragraph. See also page 167, fourth paragraph.

With respect to Claim 46, *Auction This* discloses registration of buyers with an auction house at page 69, paragraph 4.

Regarding Claim 47, see the discussion of Claims above and *Auction This* further discloses payment of fees by a buyer at page 167, fifth paragraph.

With respect to Claim 48, *Auction This* discloses registration of sellers with an auction house at page 69, paragraph 4.

As to Claim 49, *Auction This* discloses a seller's fee at page 112, last paragraph to page 113, first full paragraph.

Regarding Claim 50, *Auction This* discloses directory access to a plurality of commodity categories at page 71, paragraph 4. Subscriptions are disclosed at page 166.

With respect to Claim 51, see the discussion of Claim 11 and *Auction This* further discloses listing subscriptions at page 166.

With respect to Claim 52, *Auction This* discloses listing subscriptions fees at page 166.

With respect to Claims 53-64, they recite limitations which describe straight, Dutch and proxy bidding auctions. Such bidding features are well known in the auction art, as set forth in the discussion of the claims below.

Concerning Claim 53, *Auction This* and *Wurman* disclose the invention substantially as claimed. See the discussion of Claim 1 above. *Auction This* further discloses an upward, open, unconstrained auction (page 63, "Straight Auction") with a initial minimum (reserve) price (page 64, "Reserve Price Auctions").

Concerning Claim 54, see the discussion of Claim 53 and *Auction This* further discloses the use or bid increments at page 85, "Bid Increment".

Regarding Claim 57, *Auction This* discloses a downward, incremental, constrained auction (page 64, "Dutch Auction") with an initial maximum price and price decrease in progressive increments (page 98-99, "Real Dutch Auctions"). A predetermined minimum price in this form of auction would be the equivalent of the maximum proxy bid in a straight auction disclosed by *Auction This* at page 65, "Proxy Bidding".

Regarding Claim 59, *Auction* This discloses a downward, open, unconstrained auction (page 64, “Dutch Auction”) with an initial maximum price (starting price; page 98).

With respect to Claim 60, see the discussion of Claim 57 and note that it is the “buyer side” specification of Claim 57 and could be specified by the buyer per the teaching of *Wurman*.

With respect to Claim 63, *Auction* This discloses an upward, incremental, constrained bidding with an initial minimum price (pages 64 and 85) and a predetermined maximum price (page 65, “Proxy Bidding”).

With respect to Claims 55, 58, 61 and 64, as set forth in the discussions above *Auction* This discloses incremental bidding. It would have been obvious to one of ordinary skill in the art at the time of the invention to have incrementally changed prices with respect to time because this would have “moved the auction along” as well as creating a feeling of urgency to participants which would increase auction profitability.

Regarding Claims 56 and 62, incrementing based on the number of bids received would have brought an auction to a timely end. Rather than waiting for indeterminate time for a next bid, the auctioneer could determine the level of interest in the auction by the number of bids. Fewer bids would indicate a need for incremental change in price which would have expedited the auction.

With respect to Claim 71, *Palmer* discloses that the seller provides a commodity sample at page 8, second and third full paragraphs.

With respect to Claims 72 and 74, it would have been obvious for the auction house to have been a conduit for the seller to buyer sample transfer because this would have allowed the contracting parties to maintain anonymity.

Regarding Claim 73, *Palmer* discloses laboratory testing of commodities at page 8, third full paragraph. It would have been obvious to have posted such results to a web-site because this would have allowed all participants to know lot quality and adjusted pricing accordingly.

Regarding Claim 75, it would have been obvious to have provided proportional divisions of a sample to prospective buyers for assessment because this would have assured comparable sub-samples and would have allowed bidders to adjust their bids based on equivalent quality of sub-samples. This is “comparing apples to apples” – literally.

Concerning Claim 76, see the discussion of claim 38.

With respect to Claims 65-70, see the discussions of Claims 33-39 and Claim 40 and the discussions elsewhere in this action.

Response to Arguments

Applicant's arguments filed February 3, 2003 have been fully considered but they are not persuasive.

The Examiner first notes that the previous rejection of Claims mirroring Claims 41-76 over combinations of *Auction This* and *Wurman and Palmer*, is unchallenged; the Examiner assumes that Applicant concurs with the treatment of these Claim elements.

Secondly, the issue of model and sample provision were addressed in the prior office action in the treatment of Claims 33 and 26. Contrary to Applicant's implication, Claim 26 was treated at page 8 of the prior office action. Models and samples, as effective descriptions of goods desired or provided are seen as equivalent. In any case, the issue is further treated in the rejection of Claim 40 above. In the example above, the arsenal model shows what is desired; a

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sample shows what is available. The two features are merely ways for seller and buyer to assure understanding of quality for the transaction.

Thirdly, as noted in the last paragraph of the treatment of Claim 40 above, there is not even a recitation that models or samples are provided. Rather, the language reads on merely providing an option to do so. This reads on a check box indicating that user will supply a sample or model, not that the provision is done. A clear statement that the provision is done and that the model or sample is used for some purpose would at least relate the option selection to the rest of the Claim.

No such use appears to be done. A review of the Specification shows repeated use of the words "model" and "sample", (e.g. Table 3). However no particular use is made of the concepts. At page 7 of the prior office action, the Examiner suggested that quality considerations could be used to adjust commodity pricing to reflect such considerations. This reasoning is unchallenged; Applicant discloses no particular use for his models/samples, only that they might be provided.

At section B.2 and several locations in his remarks, Applicant uses the word restriction, which is unclear. It appears that Applicant appears to mean limitation. In any case, the meaning of the paragraph is that *Applicant* established that *he* said models and samples differ. As above, the Examiner does not occur.

As to B.4, an updated search is required for each office action.

At B.5, Applicant states that provision of models in view of samples is not obvious, but provides no rationale for this argument. It is unclear why being a bidder would restrict one's ability to provide a model. The prior art of record contains no teaching or suggestion of this.

As to comments at B.6, Applicant implies that the Examiner has used Applicant's disclosure to obtain motivation to modify the references. This has not been done. The Examiner views the modifications as obvious to one of ordinary skill in the art of commodities auctions.

In response to applicant's argument at B.6 through B.11 that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971). The Examiner has not used the phrase "would be" obvious but has rather used the phrase "would have been" See above and prior office actions.

At B.12, Examiner made clear that models and samples are equivalent. Disclosure of the prior art of samples would have suggested models to one of ordinary skill in the art of commodities auctions as set forth above. This was addressed at page 8, first paragraph 1 of the prior office action.

At B13, Applicant fails to provide any substantive argument or evidence that model provision was unknown. This is merely implied. See also the discussion of Claim 40.

At B.14, Applicant restates prior arguments addressed above. Had the model/sample features conferred patentability, the Examiner would have indicated such in the prior office action.

At C.1-7, Summary, Applicant restates arguments addressed above.

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Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Charles Kyle whose telephone number is (703) 305-4458. The examiner can normally be reached on Monday - Friday, 8:30 - 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone numbers for the organization where this application or proceeding is assigned are (703) 746-7239 for regular communications and (703) 746-7238 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 305-3900.

CRK
crk
April 10, 2003


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